

Message Text

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ACTION AF-18

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CIAE-00 INR-10 NSAE-00 RSC-01 L-03 SCA-01 PPT-02

JUSE-00 PRS-01 PA-04 USIA-15 TRSE-00 DRC-01 SCS-03

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TO SECSTATE WASHDC 1567

C O N F I D E N T I A L LAGOS 8640

E.O. 11652: GDS

TAGS: ENRG, CASC, NI

SUBJECT: US DRILLING COMPANY STILL IN DIFFICULTY WITH
NIGERIAN AUTHORITIES

REF: LAGOS 8327

1. SUMMARY. ZAPATA DRILLING COMPANY HAS STILL NOT OVERCOME MURKY SERIES OF DIFFICULTIES WITH NIGERIAN POLICE AND COURTS WHICH NOW INCLUDES PREVENTION OF TWO AMCITS FROM LEAVING COUNTRY. EMBASSY IS CLOSELY FOLLOWING EVENTS BUT STILL BELIEVES OFFICIAL INTERVENTION WOULD BE UNLIKELY ACHIEVE ANY USEFUL PURPOSE. END SUMMARY

2. FOLLOWING SUB-PARAGRAPHS UPDATE INFORMATION CONTAINED REFTEL AND EARLIER CABLES. UNLESS OTHERWISE INDICATED, ALL INFORMATION OBTAINED FROM AMCITS LANG HOFFMAN (ZAPATA LAWYER FROM HOUSTON) AND SAMUEL DENNY (ZAPATA MANAGER IN LONDON), BOTH OF WHOM SOUGHT TO LEAVE NIGERIA OCTOBER 20 BUT HAD THEIR PASSPORTS SEIZED AT THE AIRPORT BY THE NIGERIAN POLICE. THIS MESSAGE IS FOR DEPARTMENT'S INFORMATION ONLY. DETAILS SHOULD NOT RPT NOT BE DISCUSSED WITH GORDON GOOCH OR OTHER ZAPATA REPRESENTATIVES IN US.

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A. THREE MORE ZAPATA EMPLOYEES ARRAIGNED, THIS TIME IN

LAGOS, FOR FAILURE TO HOLD VALID WORK PERMITS. THEY PLEADED GUILTY AND WERE FINED 85 NAIRA EACH. IN COURT APPEARANCE OCTOBER 22, ONSHORE SERVICES LTD. PLEADED GUILTY AND ITS AMCIT MANAGER (CLAUDE WHITEHEAD) NOT GUILTY TO CHARGES OF EMPLOYING THE THREE UNDOCUMENTED WORKERS. HEARING WILL TAKE PLACE DECEMBER 7. THESE COURT APPEARANCES ARE SO FAR ONLY ASPECTS OF THE CASE TO RECEIVE NEWSPAPER PUBLICITY.

B. THE SIXTEEN WORKERS FINED OCTOBER 9 IN WARRI LEFT NIGERIA SHORTLY THEREAFTER. MOST WENT TO LAS PALMAS (WHERE THEIR FAMILIES LIVE) AND RETURNED THIS WEEK ON NEW NIGERIAN VISAS BUT WERE NOT ALLOWED REJOIN THEIR OFFSHORE RIGS PENDING ISSUANCE OF WORK PERMITS. HOFFMAN HOPES PERMITS WILL BE ISSUED BEFORE NEXT WEEKEND. MEANWHILE, THE TWO RIGS ARE WORKING WITH REDUCED CREWS. A FEW WORKERS HAVE QUIT BECAUSE OF WHAT THEY REGARD AS OFFICIAL HARASSMENT.

C. ACCORDING HOFFMAN, ONLY OTHER MATTERS OF CONTENTION BETWEEN ZAPATA AND THE NIGERIAN AUTHORITIES INVOLVE TAX DEDUCTIONS FROM WORKERS' SALARIES AND AN ALLEGEDLY ILLEGAL AGREEMENT UNKNOWN TO HIM BETWEEN ZAPATA AND ITS LOCAL LAWYER (FRED EGBE). ON LATTER'S ADVICE, COMPANY ENGAGED A SECOND LAWYER (ALHAJI ATA), AND PROGRESS IS BEING MADE TO REGULARIZE ALL OF THE COMPANY'S AFFAIRS VIS-A-VIS THE AUTHORITIES.

D. MOHAMED ELKOHOLI, THE ONSHORE SERVICES ACCOUNTANT, IS AN EGYPTIAN WHO TOGETHER WITH HIS GERMAN WIFE HAVE US RESIDENT ALIEN STATUS AND RE-ENTRY PERMITS. HE ACCEPTED ZAPATA OFFER OF TRANSFER TO NETHERLANDS BUT CLAIMED NIGERIAN AUTHORITIES REQUIRED HIM REMAIN HERE PENDING INVESTIGATION. HE WAS THEN ASKED TO TAKE LEAVE FROM THE COMPANY (ON FULL PAY) UNTIL HE COULD TRAVEL. THIS INFURIATED ELKOHOLI WHO THREATENED TO PREVENT HOFFMAN'S AND DENNY'S DEPARTURE AN HOUR LATER FROM LAGOS AIRPORT. WHEN THE POLICE IN FACT PREVENTED THEM FROM BOARDING THEIR PLANE, THEY FELT CERTAIN ELKOHOLI HAD USED THE STRONG INFLUENCE THEY BELIEVE HE HAS WITH THE NIGERIA POLICE.

E. ATTEMPTS THIS WEEK TO LOCATE THEIR PASSPORTS AND LEARN THE AUTHORITIES' REASONS FOR SEIZING THEM PROVED
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FRUITLESS. HOFFMAN NO LONGER FEELS CERTAIN THAT EIKOHOLI ALONE CAUSED THE POLICE TO ACT AND SPECULATES THAT HE MAY HAVE ALREADY BEEN UNDER SUSPICION OF BEING PERSONALLY INVOLVED IN THE COMPANY'S ALLEGED MISDEEDS. HOFFMAN CAME TO NIGERIA FOR THE FIRST TIME THREE WEEKS AGO ONLY TO CONSULT WITH ZAPATA MARINE SERVICES LTD., AN OPERATOR OF OIL FIELD WORKBOATS NOT INVOLVED IN ANY OF THE CURRENT DIFFICULTIES. HE DENIES ANY PERSONAL INVOLVEMENT AND IN FACT FEELS ZAPATA'S LOCAL

MANAGEMENT AND LAWYERS ARE DOING ALL THAT CAN BE DONE (HENCE HIS DECISION TO LEAVE OCTOBER 20).

3. HOFFMAN HAS VOLUNTEERED INFORM EMBASSY ABOUT CASE AT FREQUENT INTERVALS. WE HAVE DISCUSSED POSSIBILITY OF EMBASSY'S ASKING POLICE WHY TWO AMCITS PREVENTED FROM LEAVING COUNTRY WITHOUT EXPLANATION. AT LEAST FOR PRESENT, WE BOTH FEEL EMBASSY INTERVENTION WOULD COMPLICATE CASE WITHOUT HAVING MUCH CHANCE OF HELPING ZAPATA OR THE TWO INDIVIDUALS OVERCOME THEIR DIFFICULTIES. REINHARDT

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